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Subcommittee on Aviation
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Transforming the Federal Aviation Administration: a Review of the Air Traffic Organization and the Joint Planning Development Office

Mr. Chairman, members of the Subcommittee, thank you for the opportunity to testify today as you review the Air Traffic Organization and the Joint Planning Development Office. This committee has shown a keen and welcomed interest in the organizational transformation of the Federal Aviation Administration as we continually work to meet the needs of our nation's air transportation infrastructure. To that end, you have been instrumental in that change by crafting well thought out and forward looking legislation formalizing the Air Traffic Organization and creating the Joint Planning Development Office.

As everyone in this room is aware, the FAA has somewhat of a checkered past when it comes to major acquisitions and personnel systems. We have seen multiple reports about FAA overspending on and under delivery of modernization projects from AAS to STARS, and I am no stranger to bringing attention to the staffing issues we are experiencing across the country. But if we are to bring real progress and reform to our aviation policy, it is imperative we move beyond the old paradigms. I would like to commend the members of this committee for your willingness to exercise the oversight role provided by your jurisdiction.

Our aviation system is a national treasure, an asset belonging to the American people and I would like to praise you, their elected representatives, for the outstanding job you continue to do to ensure their interests are protected. When it comes to the operations of the FAA, this has at times been a Herculean task. The committee has facilitated progress by the FAA in the development of the ATO and JPDO, but more needs to be done.

I stand behind the statements that I made a year ago when NATCA issued its first press release on the ATO, which can still be found on my website:

John Carr today warmly greeted the unveiling of the Federal Aviation Administration's new Air Traffic Organization with open arms, calling the initiative "bold and smart" and the architect, FAA Chief Operating Officer Russ Chew, "innovative and thoughtful."

While many in the industry reacted with caution, NATCA embraced the opportunity presented by the transformation into the ATO. Our commitment went far beyond words as my organization invested tremendous amounts of time and resources into making the ATO successful, and continues to work toward the vision laid out by Congress.

The ATO has made major strides in structural change. However, from the inside of the organization we have found significant barriers to implementation for which there is still a chance to remove these before they become institutionalized. I am pleased to have the opportunity to share these concerns with the committee.

Chief Operating Officer (COO)

The Chief Operating Officer for any organization is responsible for managing the day-to-day operations. For all of us that were here through FAA reform, AIR 21 and Vision 100, it is clear this COO was expected to do exactly that. NATCA believes that is occurring on the acquisition side. However, when it comes to matters related to managing personnel this has not occurred. In fact, for those of us working inside the FAA, it seems the COO is subordinate to the staff in the Human Resource Management Department when it comes to personnel matters. Considering that more than 36,000 FAA employees (76% of total FAA workforce) are in the Air Traffic Organization, no rational organizational structure would keep the human resource functions outside of ATO.

The current relationship between ATO and HR creates excessive bureaucracy for even the simplest of tasks. We have already seen this division introduce considerable inefficiency into fairly straightforward processes. A fundamental disconnect between the stated goals and initiatives of the COO and those of the human resource staff exists. NATCA has tried through numerous avenues to resolve these frequently competing values. We have worked to serve as a bridge between these two FAA lines of business but it has proven to be a considerable challenge. As a labor union, NATCA places tremendous value in the work done by human resources professionals. We believe this is an essential function and should be under the direction of the COO.

While this problem is structural, the solution is not difficult. The existing statutory framework already provides the administrator with the latitude to eliminate this barrier to ATO efficiency. Section 106(r) of Title 49 provides this flexibility. Congress took direct action in clarifying the lines of authority by making the COO subordinate to the FAA Administrator and NATCA believes that structure is appropriate. However, we do not believe it was the intent of Congress to make the COO subordinate to the Assistant Administrator for Human Resource Management in every matter regarding personnel.

Nowhere are these problems more evident than in the ongoing contract negotiations for FAA staff specialists. The FAA has dragged the negotiations out for more than two years, refusing to meet for months and has been unable to effectively bargain as a result of the blurred lines of authority. The air traffic controllers, traffic management and NOTAM specialists are currently covered by the collective bargaining agreement signed by Administrator Blakey in December of 2003. We have been advised that if the agreement is reopened, the chief negotiator will be a member of the human resource staff and not within the COO's chain of command. Since the vast majority of the collective bargaining agreement deals with technical issues and work rules related to the day-to-day operations of our nation's air traffic facilities, the persistent confusion in the lines of authority increases the likelihood that negotiations will not only take longer than necessary but may also lead to an agreement that does not meet the needs of those charged with administering it.

Joint Planning and Development Office (JPDO)

The Joint Planning and Development Office represents a bold and innovative step toward maximizing infrastructure investment between government agencies. This planning presents tremendous opportunity if managed correctly, however, it can easily drift into old familiar patterns if it is not carefully nurtured and progress is not monitored. This year funding for JPDO activities tripled, and it is incumbent on all of us to ensure this resource is not squandered. NATCA has filled the FAA's request for a full time liaison to the JPDO, who serves as a member of both the Agile Air Traffic System and Enterprise Architecture Product Teams. While this liaison monitors the activities of other Integrated Product Teams, scheduling does not permit him to serve as a full time member on other relevant teams.

NATCA's representative has provided considerable input into the teams' activities, but finds that the work of the teams frequently wanders into areas of day-to-day management of the FAA rather than remaining focused on work related to the Next Generation Air Transportation System as directed by statute. These distractions can dramatically reduce the productivity of the teams. NATCA believes significant issues within the JPDO's jurisdiction merit attention at this time.

- Aircraft – Aviation is changing with the introduction of the Airbus 380, micro-jets and Unmanned Aerial Systems (formerly UAV'S). The change in fleet mix will

significantly alter the traffic patterns in both en route and terminal airspace. We expect to see continued increases in the use of satellite airports. By utilizing unused surface capacity, the existing network of airports can withstand substantial growth. However, the existing airspace structures including airways, arrival and departure routes, and sectorization may need substantial revision to meet the demands of this changing aircraft mix.

- Flexible Airspace – The JPDO is discussing this issue. NATCA has expressed concern that the work fails to consider the necessary training and licensing required when transferring airspace. Just as a pilot must be qualified in specific aircraft types, a controller must qualify on each position and sector for which he or she is responsible in order to ensure safety. We recognize the work in this area is in its infancy, however NATCA will continue to stress that proper training is required to maintain the safety of the system. Proposals to routinize procedures for the purpose of decreasing training time reduce both system flexibility and system capacity. We recommend a comprehensive evaluation of such proposals that considers the trade-offs. It is possible the areas in which the FAA may identify cost savings could result in dramatic cost increases for the system users.
- Navigation Aids – The current VOR network has served our national aviation system well. However, the limitations on service range results in costly ground based infrastructure and the radio signal based technology limits the airway structure. Other technologies, like LORAN, can provide adequate redundancy

and backup a space based system like GPS at a much lower cost than sustaining the existing VOR network.

- Aircraft Separation – Currently the JPDO is examining issues of delegated separation that have been studied, examined, and proposed for decades. Considerable work already exists in this area and NATCA believes the JPDO could focus efforts in more innovative areas related to separation standards. Specifically, we would like to see the JPDO consider existing technologies that are underutilized as a result of outdated policies and procedures. This is most evident in the area of surveillance and separation standards. As we have seen technological advances in narrowband radar, tracker fusion logic and alternative surveillance sources, like ADS, the application of standards has not changed. Many of the rules regarding the application of various procedures are limited by the type of surveillance source. There is more existing flexibility in air traffic control than five miles and a thousand feet, however those flexibilities have yet to consider advances in surveillance technology. The JPDO should facilitate the exploitation of existing capabilities by ensuring the necessary safety research is directed in this area.

Air Traffic Organization (ATO)

The ATO had an ambitious plan at the beginning of the year to reduce layers of management and flatten the organization. NATCA enthusiastically embraced this plan

and worked to align our processes to facilitate progress. I am pleased to report that our early acceptance and participation in the realignment allowed the ATO to stand up the regional structure earlier than originally forecast. The FAA has made some progress in this area but while many of the FAA stovepipes have been eliminated on paper, the cultural barriers are persistent.

The division of service areas by option: terminal and en route, has introduced new barriers and bureaucracies. In areas like simple personnel transfers, local negotiations or grievance meetings, the FAA will bring in representatives from as many as three regional offices to address a single issue. The ATO organization fails to vest appropriate trust in individual representatives to manage the Agency's interests across service areas. Not only does this process squander the productivity of the personnel involved, it also causes the Agency to incur unnecessary travel costs.

The biggest challenge facing the ATO in the immediate future is addressing the staffing crisis. We agree with the Administrator's statement that we need to have the right people in the right place at the right time and that total training time should be reduced. NATCA has offered specific suggestions to facilitate those goals. If the ATO is to truly commit to ensuring the right people are in the right place then it is essential to eliminate regional or service area boundaries that place artificial caps on transfers. FAA data shows that certified professional controllers transferring to higher level facilities qualify in half as much time as new hires, particularly in the terminal option. Additionally, new hires

placed at towers at major airports and TRACONs have the lowest success rate in the system.

In 2003, when Administrator Blakey decided to extend the current collective bargaining agreement, NATCA not only concurred, but also agreed to several cost saving initiatives that the FAA valued at approximately \$40 million. We are pleased to assist the Agency in identifying cost saving ideas and we believe considerable cost savings can be found in the area of training without compromising the quality of the training program. For example, the FAA has determined, as reported in the Air Traffic Controller Workforce Plan, that the FAA Academy in Oklahoma City is no longer used as a candidate-screening tool. As NATCA testified before this committee last year, students who have graduated from FAA approved Collegiate Training Initiative Schools need not attend the Academy for training purposes. We asserted then that the value of the Academy was in the screening process. Since the FAA has determined that it is no longer used for that purpose, there is no reason for either the FAA or the student to incur the delay and expense of academy training.

If CTI students were able to bypass academy training the FAA could substantially revise the costs associated with the Workforce Plan and reprogram funds to accelerate facility specific training. With respect to facility specific training, there is considerable waste within the contractor training functions. For example, at Southern California TRACON controllers have observed contractor staff that includes one supervisor, two administrative assistants, one person responsible for computer-based instruction, eight

instructors and four remote pilots. If the facility were processing several classes of trainees a year, this might be a defensible level of support contractors. All of this contractor support provides only a few weeks of training to a handful of controllers. NATCA is aware of considerable willingness and desire within the controller workforce to transfer into vacancies at short staffed facilities but artificial bureaucratic barriers have blocked many of those transfers, most of which require no Permanent Change of Station funding. NATCA has also proffered an innovative nationwide bidding procedure to streamline the bidding process by allowing the FAA to identify the facilities with the most need, and prioritize the bidding and transfer process for maximum system efficiency. This method does not limit FAA management's ability to set the criteria or make the selection, it simply centralizes the bidding process to eliminate duplication of work while allowing the FAA to better manage its staffing at a national level.

As we work to staff the system to meet the current demands and Secretary Mineta's challenge of tripling air capacity over the next two decades, we need a plan for growth not constriction. Too often the solutions offered for cost savings involve reducing the levels of available service. We are hearing those ideas proposed now, such as eliminating existing infrastructure at a time when we are seeing strains on the system at a level as high as the delay plagued summers of 1999 through 2001. Just this week we saw the release of a report showing airline customer satisfaction at record lows.

Before 9/11 there was industry consensus that the U.S. needed to expand its aviation infrastructure to meet the demands of our nation's air travelers. The mission of the

Department is to serve the United States by ensuring a fast, safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future. NATCA believes in that mission and we are proud of the role we play in meeting it.

Unfortunately, some current proposals are inconsistent with that mission. Reducing system capacity, eliminating infrastructure, reducing service hours and recommending a BRAC-style commission, seem aimed at addressing excess infrastructure. Yet the most pressing difficulties we confront today relate to insufficient infrastructure, including runways, taxiways and gates. None of the aforementioned proposals would remedy these pressing problems.

NATCA is proud of the work we have done to assist in the progress made by the ATO. Organizational transformation is a difficult task and we have worked to assist the COO in making the transition as seamless as possible. However, now at the one-year point, it is clear the ATO is encountering barriers unrelated to NATCA. While we will continue to do everything within our power to facilitate the continued transformation, we believe this committee should continue to provide a high level of attention and focus on the evolving processes.

NATCA has always been willing to contribute our efforts to solving problems. While we continue to work within the FAA and ATO to make the system as efficient as possible, no discussion of the ATO would be complete without addressing the emerging funding

debate. NATCA's interest is ensuring the system has adequate funding to meet the demands placed upon it. We are concerned that the current rhetoric is preventing a factual discussion of the issue. I have attached NATCA's Trust Fund research to my written testimony, but I would like to address some key points.

First, while the Trust Fund revenue experienced a temporary and predictable period of decline from 2000 through 2003, we saw revenues rebound in 2004. Some will attempt to cloud the issue by talking about trust fund balances that may decline as a result of certain policy choices or framing the issue as revenue per flight. The costs of providing air traffic control do not fluctuate on a per flight basis. Costs are relatively constant until the point of sector saturation when additional sectors and personnel are needed to expand the system capacity.

Projected growth in Trust Fund revenue outpaces the projected growth in operations costs. Trust fund revenues are increasing and growth is projected to continue. These are facts. If we are to discuss changes to the tax structure or how that revenue is distributed, it is essential that we consider the substantive data and not the rhetoric that continues to distract from a legitimate policy discussion.

It is no secret that some believe user fees would remove the congressional oversight committees and elected officials from the decision making process. NATCA has grave concerns with this approach. We believe that the safety of our skies is a sacred public trust and it is the role of our elected officials to protect that trust. In transforming the

FAA, this committee has created a sound statutory framework and continued oversight to promote the transformation needed to continue to provide the American people with the air traffic control system that leads the world.